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Reagan OKs compromise, prods contra aid in House

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WASHINGTON — President Reagan stepped up lobbying efforts Tuesday on the eve of a crucial House vote on aid to the Nicaraguan contras, endorsing a bipartisan package that would give the rebels \$27 million in nonlethal aid.

The package also would lift the U.S. trade embargo — if the Sandinistas agree to a truce and peace talks with the rebels.

House Speaker Thomas P. O'Neill, however, predicted that even if the Democratic-controlled House approves some form of contra aid, it may attach restrictions that could delay its delivery or even preclude its distribution.

Reagan and O'Neill's statements came a day before Congress was to renew debate on contra aid.

Last Thursday, the Republican-led Senate authorized \$38 million in nonmilitary aid to the contras over two years, channeled through the CIA. Congress suspended aid to the contras last year. The Senate voted Thursday to lift that ban.

In Managua, President Daniel Ortega proposed his own peace terms Tuesday, also apparently aimed at influencing the crucial congressional vote.

"The United States, which has opened fire on Nicaragua, should call a cease-fire, stop soliciting millions of dollars for the mercenaries and renew talks," Ortega said.

"In these conditions Nicaragua would be able to also call a cease-fire," Ortega said, "so people with the contras could take advantage of an amnesty law and we could lift exceptional laws of the state of emergency," apparently an offer to end news censorship and end restrictions on the Sandinistas' political opponents.

Ortega's statements appeared to resemble a peace plan he outlined in March — also on the eve of a vote on contra aid.

After the House votes, both House and Senate will have to reconcile differences in conference, meaning that several more weeks or even months may pass before Reagan could sign a bill containing money for the contras.

House Minority Leader Robert Michel, R-Ill., wrote the bipartisan House amendment that the president supported Tuesday.

Several House Democrats endorsed Michel's plan — including Rep. Dave McCurdy, D-Okla., and the chairman of the House Foreign Affairs Committee, Dante Fascell, D-Fla.

In a meeting with these and other House Republicans and conservative Democrats, Reagan gave McCurdy a letter expressing support for the \$27 million amendment. Fascell later said he was confident the House would pass the Michel-McCurdy-Fascell compromise.

"There is a substantial number of Democrats behind this," Fascell said.

In his letter to McCurdy, Reagan said he was "writing to express my strongest support for your bipartisan proposal to assist the forces of democracy in Nicaragua. It is essential to a peaceful resolution of the conflict in Central America that the House of Representatives pass that proposal, without any weakening amendments."

"We do not seek the military overthrow of the Sandinista government or to put in its place a government based on supporters of the old Somoza regime," Reagan said in the letter, referring to the government of Nicaraguan dictator Anastasio Somoza, overthrown by the Sandinistas in 1979.

The amendment would provide the \$27 million in food, clothing, medicine and possibly trucks and communications equipment in three \$9 million chunks every 90 days through March 31, 1986. Unlike the Senate version, the Michel-McCurdy-Fascell proposal would not funnel aid through the CIA but through another U.S. government agency, perhaps the State Department's Agency for International Development.

The amendment also would allow the CIA to provide the contras with "information," apparently a reference to intelligence about Sandinista activities.

In his letter, Reagan also said he would instruct his special envoy to Central America, Harry Shlaude-man, to consult with the contras

and Latin American governments about the possibility of resuming suspended bilateral talks between the United States and Nicaragua.

Besides endorsing the bipartisan proposal, Reagan's letter also warned congressmen against passing separate amendments by Democrats Edward Boland of Massachusetts and Richard Gephardt of Missouri.

The Boland bill would continue indefinitely a ban on direct or indirect support by the United States for military or paramilitary operations in Nicaragua. The Gephardt plan would withhold contra aid for six months to allow regional peace talks to develop.